

**Residence Lien Recovery Fund Advisory Board  
Meeting Minutes February 11, 2004**

**Program Present:** Program Coordinator Earl Webster  
Claims Examiner Karen Elkins-Bey  
Program Secretary Kathie Schwab  
AAG Tony Patterson  
Director Craig Jackson

**Board Present:** Chairman Roy Jensen  
Bob Burton  
Jorge Dennis  
Allen Nielson  
Merlin Taylor

**Board Business** The meeting was called to order at 8:07. Because there was not a quorum present at the January meeting, the December minutes were not approved. **Mr. Burton moved to approve the minutes with no corrections; Mr. Dennis seconded the motion. All approved.**

Mr. Burton asked that a section of the January minutes be reworded for clarification. On page 2, paragraph 2, the minutes read "... It mandates that all reviews are informal. That will impact about 1% of the requests." It will be changed to read "... It mandates that all reviews are informal. The division estimates this will make 1% of the applications more difficult to process than if formal proceedings were available." **Mr. Burton moved to approve the January minutes with those changes; Mr. Taylor seconded. All approved.**

**Legislation** Mr. Webster updated the board on the progress of LRF-related bills. HB62 has been sent to enrolling. This will remove the homeowner protection determination from the court and give the authority to program staff. HB20 and HB 32 are technical amendments that don't affect LRF. HB 136 is the electronic lien filing with the money for the database being taken from the LRF account. According to Mr. Burton, suppliers are opposed to this bill. The

contractors think the pre-lien option will help; the suppliers think of it as another layer of bureaucracy. In addition, determining where supplies were delivered is tough. Lot numbers and addresses frequently change in residential building. There is a concern that homeowners will not have the level of sophistication to deal with this bill. The Department of Commerce is remaining neutral.

HB298 will redefine who must join the fund. For example, it gives the B100's who do not do residential work a chance to opt out of the program. There would be fines, penalties, and cease and desist orders for those who opted out of the program but still performed residential construction.

### **Informal Claims**

*LRF-2003-0429-12, -13, and -19, V & A Holdings Inc v Backyards Unlimited Inc (Brugger, Plant and Blatter).* These claims can be considered together. The program is recommending full payment. **Mr. Nielson moved to recommend payment of the three claims as proposed; Mr. Taylor seconded. All approved.**

*LRF-2003-1203-01, California Wholesale Material Supply dba CALPLY v Golden Stone Construction Inc (Preece).* The program is recommending payment. There is a large spread in amounts claimed and amounts awarded. The calculations made by the claimant were incorrect. **Mr. Nielson moved to recommend payment of the claim as proposed; Mr. Dennis seconded. All approved.**

### **Homeowner Application**

The draft was distributed for discussion and feedback. Mr. Webster will make the recommended changes.

**Other Business**

The next meeting will be on March 10, 2004. The formal hearing will most likely be held.

The meeting adjourned at 9:10 am.

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**Date**

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**Roy F. Jensen, Chair**  
**Residence Lien Recovery Fund Advisory Board**

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**Date**

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**W. Earl Webster, CPA**  
**Residence Lien Recovery Fund Program Coordinator**